



Designation: E2131 – 09

Standard Practice for Addressing and Reporting Loss, Damage, or Destruction of Tangible Property¹

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1. Scope

1.1 This practice focuses on addressing and reporting loss, damage, or destruction (LDD) of tangible property.

1.2 LDD events are key aspects of risk management. Projecting the possibility or probability of LDD, discovering, disclosing, reporting, managing, and minimizing LDD is a critical and economic factor in the success of the owning or holding entity. This practice also establishes acceptable levels of LDD.

1.3 LDD events are often discovered as a result of a physical inventory or other audit. An actual LDD event can occur at any time during the property life cycle.

1.4 LDD events resulting from natural disasters or other incidents beyond the control of an entity are not subject to the criteria in 1.7. Reporting LDD events is required.

1.5 Natural degradation or normal wear and tear are not considered LDD events and are not addressed in this practice (they may, however, be considered in establishing residual value).

1.6 Loss, damage, and destruction, while three completely different events, are addressed as one for the purposes of this practice.

1.7 This practice does not address situations where LDD is an expected outcome, for example, destructive testing.

1.8 Assessing pecuniary liability for loss, damage, or destruction is not addressed in this practice; such assessments are subject to law.

1.9 *This standard does not purport to address all of the safety concerns, if any, associated with its use. It is the responsibility of the user of this standard to establish appropriate safety and health practices and determine the applicability of regulatory limitations prior to use.*

¹ This practice is under the jurisdiction of ASTM Committee E53 on Asset Management and is the direct responsibility of Subcommittee E53.04 on Reutilization and Disposal.

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2. Referenced Documents

2.1 *ASTM Standards*:²

E2132 Practice for Inventory Verification: Electronic and Physical Inventory of Assets

E2135 Terminology for Property and Asset Management

E2279 Practice for Establishing the Guiding Principles of Property Management

E2378 Practice for the Recognition of Impaired or Retired Personal Property

E2608 Practice for Equipment Control Matrix (ECM)

3. Terminology

3.1 *Definitions*—For definitions relating to property and asset management, refer to Terminology E2135.

3.1.1 *book value, n*—the net amount at which an asset or liability is carried on the books of account. **E2135**

3.1.2 *custodial records, n*—memoranda in any form written or electronic that documents the life cycle of property. **E2135**

3.1.3 *fair value, n*—is the amount at which the asset (liability) could be bought (incurred) or sold (settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale. **E2135**

3.1.4 *tangible property, n*—property having physical existence and hence capable of being valued monetarily. Property other than intangible property. **E2135**

3.2 *Definitions of Terms Specific to This Standard:*

3.2.1 *acquisition cost, n*—the cost to buy goods, services, or assets, minus discounts and adding associated costs (except for taxes).

3.2.2 *entity, n*—an agency, company, or institution.

3.2.3 *normal wear and tear, n*—wear on a property item that takes place with normal or reasonable use for which the item is intended or provided.

3.2.4 *risk, n*—concept that denotes a potential negative impact.

² For referenced ASTM standards, visit the ASTM website, www.astm.org, or contact ASTM Customer Service at service@astm.org. For *Annual Book of ASTM Standards* volume information, refer to the standard's Document Summary page on the ASTM website.